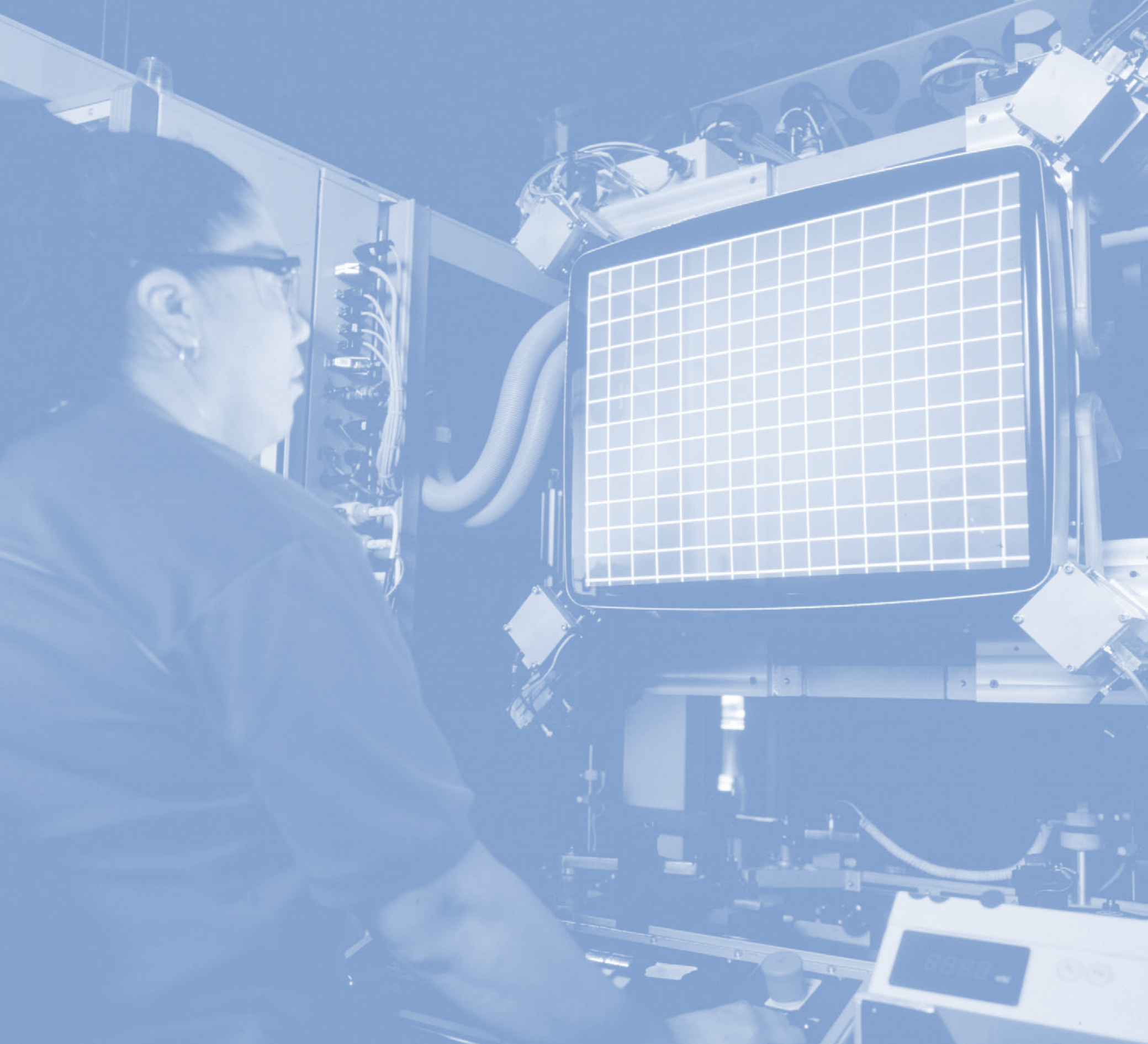




*Look at the future*



## CONTENTS

<i>Setting Our Sights on Growth.....</i>	<i>5</i>
<i>The World Number One .....</i>	<i>7</i>
<i>Strength in Innovation .....</i>	<i>9</i>
<i>Technological Breakthroughs.....</i>	<i>11</i>
<i>Worldwide Network.....</i>	<i>13</i>
<i>Quality and Cost Leadership.....</i>	<i>15</i>
<i>Multicultural Diversity .....</i>	<i>17</i>
<i>The World's Number One.....</i>	<i>19</i>
<i>The World's Largest Supplier of Television and Monitor Tubes .....</i>	<i>21</i>





# THE STRONG GET STRONGER



## SETTING OUR SIGHTS ON GROWTH

LG.Philips Displays is the world's Number One supplier of picture tubes for television sets and computer monitors. Our strength is unrivalled. We have unmatched technology, unbeatable manufacturing capabilities, and a reputation for innovation, quality and cost-competitiveness. We span the globe with an experienced, motivated workforce and we partner with the world's leading television and computing brands.

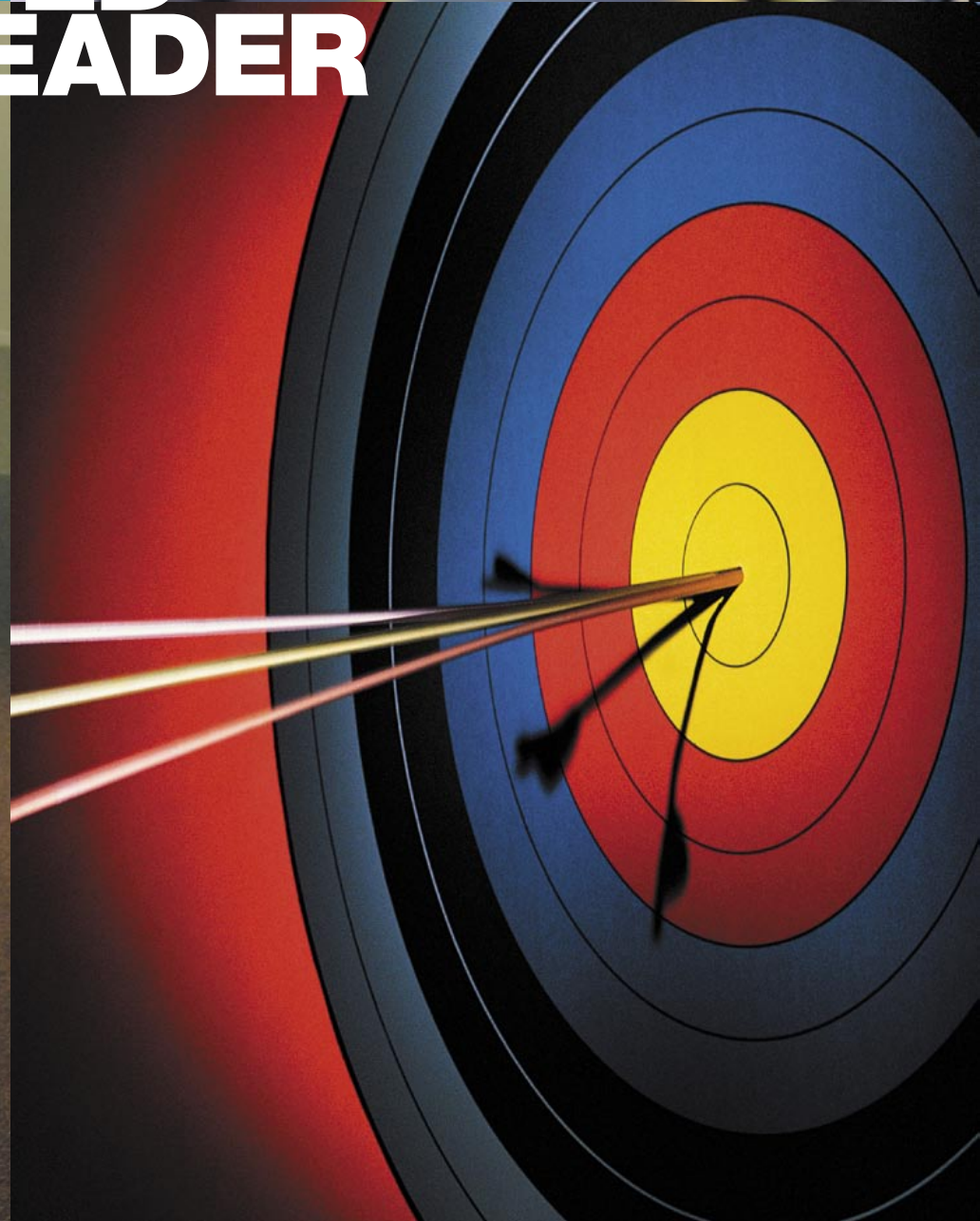
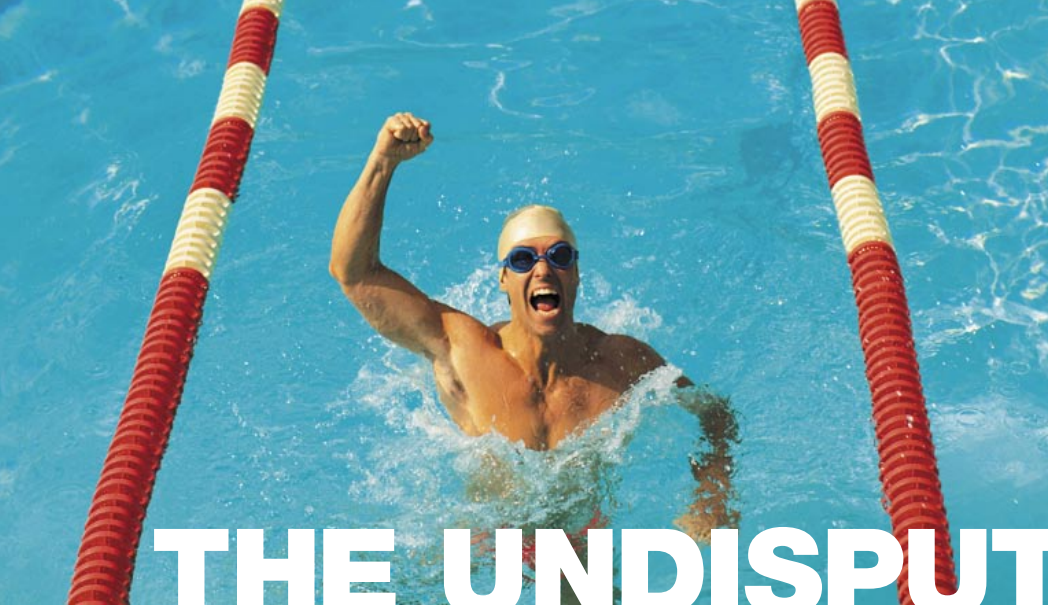
There is no doubt that we are strong. But now we are getting even stronger. To retain leadership of our global, quality-driven, consolidating industry, we have refocused our strengths, streamlined our operations and improved our governance model over the past two years. These changes are challenging but the rewards have been considerable.

We have achieved faster decision-making and decisive implementation by optimizing the way we manage our business on a global basis. We are united behind our One Team philosophy and dedicated to continuous improvement. Our productivity and efficiency continue to rise. And our core technology - the cathode ray tube (CRT) - remains the dominant display solution, unequaled in price and picture performance.

Our global market share is growing, topping 28 percent in 2004. We are looking at sustained increases, not only in market share, sales and earnings, but also in the core competencies of our company and our people.

From this position of strength, we are setting our sights on continued growth.





# THE UNDISPUTED LEADER

## THE WORLD NUMBER ONE

LG.Philips Displays is the world's leading supplier of display technologies and solutions. More than one in every four television and computer monitor tubes sold today is an LG.Philips Displays product. We are Number One in Europe, the Americas and Asia, including the important high-growth market of China.

Our strengths are both global and local. From our Hong Kong operational headquarters, we manage 21 factories in 9 countries, achieving economies of scale and efficient global supply lines, and allowing us to respond quickly to changing market conditions worldwide. We are also a truly multicultural company, with 22,000 employees, speaking 10 languages and all dedicated to being the best. They give us our in-depth, practical understanding of Western and Eastern markets and make LG.Philips Displays the local, regional and international partner-of-choice of the world's leading television and monitor brands.

We are doubly advantaged as a young company backed by a long history of experience. We are agile and enthusiastic, innovative and results-focused, and totally committed to speed and continuous improvement. And yet what we are today is also the result of the combined strengths of two of the world's cathode ray tube (CRT) leaders - companies with histories of CRT production stretching back to 1954 in Europe and 1975 in Asia.

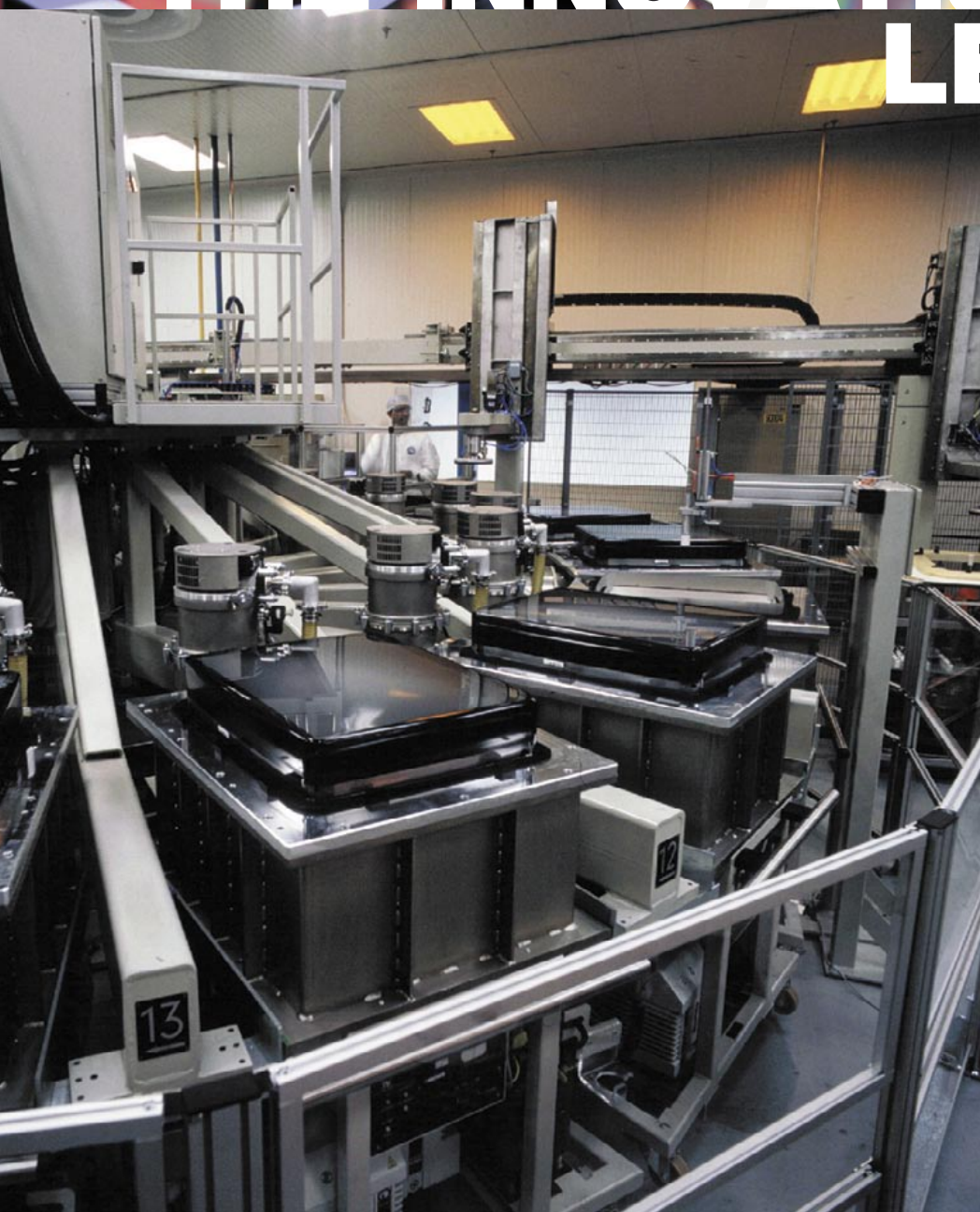
In July 2001, when Royal Philips Electronics of the Netherlands and Korea's LG Electronics merged their CRT businesses, they created a company able to rapidly deliver innovative displays to customers in every corner of the world. LG.Philips Displays has the complementary strengths of our mother companies: LGE's leadership in monitor tubes and Philips' leadership in television tubes; LGE's geographical leadership in Asia and Philips' strength in Europe, China, and the Americas; LGE's industrial and manufacturing expertise and Philips' global marketing and technological innovation.

LG.Philips Displays will continue to capitalize on the synergies created by bringing together two CRT leaders to help ensure even more innovations and even better displays, now and in the future.





# THE INNOVATION LEADER



## STRENGTH IN INNOVATION

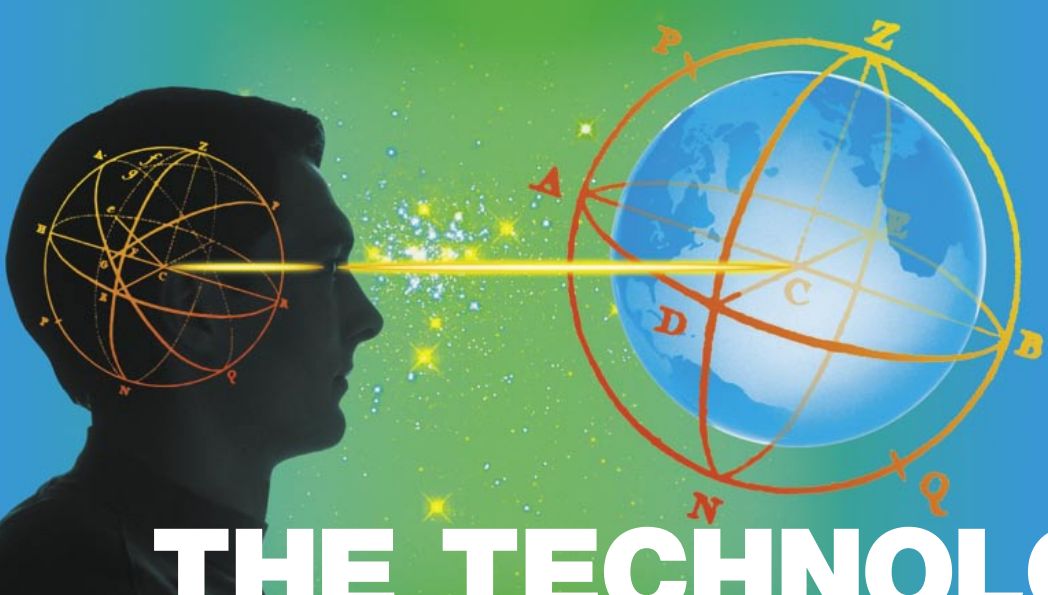
All of us at LG.Philips Displays are inspired by our role as the leading provider of technologies that improve people's lives everyday through products that are the windows to the world. We have played a major role in the television and computing revolutions of the past half-century and we will remain central to how people are informed, educated and entertained well into the future. Continued innovation will sustain the vitality of our industry and secure our place as the world's Number One.

With an unparalleled track record in technical innovations, LG.Philips Displays leads the way by focusing on picture performance and cost in a product portfolio that is the strongest in our sector. We are at the forefront of display innovations such as wide-screen, high-end jumbo, flat, and low-power monitor and TV screens. Our cathode ray tubes (CRTs) are flat, slim and high-definition and remain the benchmark for picture quality, brightness, color, wide viewing angle and competitive cost.

Equally important, we constantly introduce innovations in our workplace. In manufacturing, we have pioneered processes that maximize our agility, productivity and speed and allow us to continuously decrease costs while upgrading quality. We manufacture and market not only the finished CRTs but also all the key component parts, which are designed and made to allow the mass production of the highest quality displays. Our cultural innovations are reflected in ways of working that bring us together as a united, motivated team moving with speed and focus. This helps us to align our company with our customers and deliver innovative, cost-effective displays on time, anywhere in the world.

The end result of all of our innovations in technology and manufacturing, and our growth as an integrated entity that is always improving, is that we are and will remain the best in our field.





## TECHNOLOGICAL BREAKTHROUGHS

To continue to lead the display technologies industry, LG.Philips Displays focuses on developing and introducing breakthroughs that answer customer demand for state-of-the-art features at affordable prices.

Today, we are No. 1 in cathode ray tube (CRT) technologies and related components. We produced more than 67 million tubes in 2004, for a worldwide market share of 28 percent, while also strengthening our reputation for innovative new products. We lead the industry in introducing slim technologies that reduce the tube's depth and developing high-resolution gun technologies that increase pixel density to improve picture resolution. Our products feature high brightness guns that guarantee excellent moving-image quality and incorporate new technologies to reduce energy consumption.

Among the innovative product lines currently offered by LG.Philips Displays are color picture tubes and color display tubes that meet the highest requirements for best-in-class picture performance, quality and market competitiveness. These include:

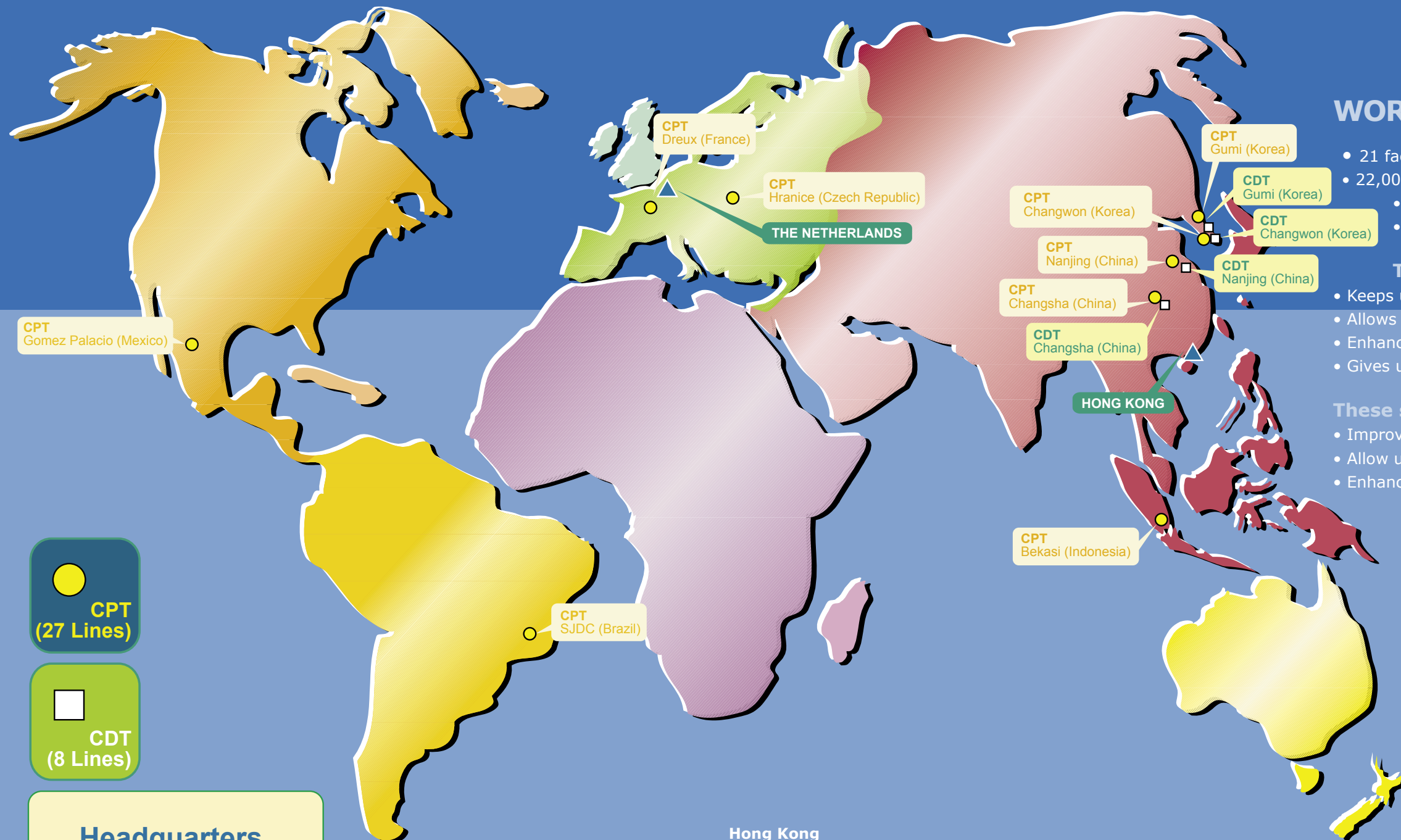
**Cybertube+:** the benchmark for color picture tubes, this product range targets the high-end and mainstream TV markets and includes High Definition and Superslim color picture tubes. It comprises WSRF (Wide Screen Real Flat 16:9) 36-inch, 32-inch, 28-inch and 24-inch models and RF (Real Flat 4:3) 34-inch, 29-inch, 25-inch, 21-inch and 15-inch models.

**FLATRON:** the ultimate in flat color display tubes, this high-end product offers high-resolution, sharp images on a large, flat screen, a unique anti-glare system, low power consumption and uniform brightness even under extreme viewing angles. The range includes 17-inch and 19-inch models.

**ezFLAT:** a real flat color display tube solution that offers optimal flatness, uniform brightness, and the best possible contrast, ezFLAT ensures outstanding sharpness across the entire screen and supports high-resolution graphic applications. It is available in cost-competitive 17-inch and 19-inch models.

Combining technological leadership with an ability to align our vision and processes with our customers, LG.Philips Displays continues to deliver advanced, innovative and cost-effective products where and when they are





## WORLDWIDE NETWORK

- 21 factories in 9 countries
- 22,000 employees, 10 languages
- Operational HQ in Hong Kong
- HQ in Eindhoven, the Netherlands

### This global network:

- Keeps us closer to customers
- Allows us to achieve economies of scale
- Enhances our worldwide cost-competitive position
- Gives us in-depth knowledge of Western and Eastern markets

### These state-of-the-art plants:

- Improve flexibility and product quality
- Allow us to respond more quickly to market changes
- Enhance our ability to deliver the latest CRT technologies

**CPT**  
(27 Lines)

**CDT**  
(8 Lines)

### Headquarters

- HONG KONG
- THE NETHERLANDS

**Hong Kong**  
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Building RE-p, Zwaanstraat 2a, 5651 CA Eindhoven  
The Netherlands  
Tel. +31 40 27 82001 Fax. +31 40 27 82660

# THE GLOBAL LEADER





# THE QUALITY LEADER



## QUALITY AND COST LEADERSHIP

At LG.Philips Displays, we will accept nothing less than remaining Number One in our industry. We will continue to drive operational excellence at all levels of the organization, combining quality products and services with superior cost-efficiency and time-to-market.

Cost and quality leadership are essential in a consolidating industry such as ours. In recent years, we have made important investments in cost-effective manufacturing locations around the world. This highlights our ability to respond quickly to market changes by getting new factories up and running in a very short timeframe. More importantly though, it allows us to achieve longer-term economies of scale and brings our facilities close to customers with whom we work to develop new products and technology solutions.

At the same time, we continue to reduce expenses and enhance production quality through business process optimization, accomplishing improvements in productivity and efficiency, in material costs and consumption, and in factory loading and organizational expenses. We view each of our factories as a profit center and we empower local teams to better focus and share resources, promote efficiency and maximize performance. These local teams are supported in their efforts to achieve low-cost, high-efficiency manufacturing by a streamlined corporate management structure that facilitates active cross-functional cooperation, more efficient resource sharing, and faster decision-making and execution on a global basis.

By raising the bar for product quality to meet customer satisfaction and price-performance demands, LG.Philips Displays is becoming a stronger Number One player.





# THE INTEGRATED LEADER



## MULTICULTURAL DIVERSITY

A good part of the strength and potential of any company lies with its people. At LG.Philips Displays, we know that our people are the best in the industry. We are one global team made up of 22,000 talented individuals in Europe, Asia and the Americas. We speak 10 languages but we have a common message: we are and will remain the market leader. We all have different backgrounds and strengths but we have a single goal: optimizing performance to secure our continuing dominance. Our diversity and drive is what makes our company the world's Number One.

To work at LG.Philips Displays is to be committed, creative and dedicated to acting as part of a united team that moves with speed and focus. We are results-focused, customer-driven and cost-conscious. We are innovative and entrepreneurial. We are leaders.

LG.Philips Displays offers us all a challenging and inspiring work environment that stimulates individual initiative and encourages us to share our ideas on making our company stronger. We have good career prospects and excellent opportunities for personal development.

LG.Philips Displays helps its people to perform at their best and rewards achievement. The company embraces diversity as an asset and respects different cultures. Our ways of working are transparent, with a spirit of open communication and information sharing. And decisions are based on facts and fairness.

United as one winning team, motivated by a common desire to be the best, and inspired by our shared values, we will ensure that the world's Number One displays provider remains the undisputed industry leader.





# THE BEST GETS BETTER



## THE WORLD'S NUMBER ONE

LG.Philips Displays is the world's Number One supplier of display technologies and solutions. We lead in innovation, quality and cost-competitiveness. Our technological strength and manufacturing capabilities are unbeatable. Our global network is unmatched. And our multicultural workforce is the best in the business.

Our aim now is to lead the consolidation of the cathode ray tube industry where the strong gets stronger; the best gets better. With our sights set on growth, our entire organization is focused and united in the pursuit of our goal. And we will accept nothing less than remaining Number One in our industry.





## THE WORLD'S LARGEST SUPPLIER OF TELEVISION AND MONITOR TUBES

**Founded:**

July 2001 by Royal Philips Electronics and LG Electronics

**Operational HQ:**

The Center, 59th Floor, 99 Queen's Road Central, Hong Kong

**Annual Sales 2004:**

about US\$4 billion

**Annual Production 2004:**

more than 67 million tubes

**Worldwide Market Share 2004:**

approximately 28%

**Market Leadership**

Europe, the Americas and Asia

**Employees:**

22,000 worldwide

**Products:**

LG.Philips Displays is the world's market leader in cathode ray tubes (CRTs) for use in televisions and computer monitors.

**Development Sites:**

Korea (Gumi), The Netherlands (Eindhoven)

**Manufacturing Sites (CRT and Components):**

Brazil (Capuava, Manaus, Recife, Sao Jose dos Campos, Suzano), China (Beijing, Changsha, Nanjing), Czech Republic (Hranice), France (Dreux), Germany (Aachen), Indonesia (Bekasi), Korea (Changwon, Gumi), Mexico (Gomez Palacio), Slovakia (Namestovo), The Netherlands (Sittard, Stadskanaal), Poland (Skierniewice), UK (Blackburn)